

THE FINANCIAL SITUATION.

As the days go by not a few thoughtful people in the financial district are found expressing the opinion that as a mass financial interests have taken counsel of their fears rather than their better judgment in the great decline in prices that has occurred in the present summer and that when the general status of business and financial affairs is calmly reviewed investors and other holders of stocks have little in which to pride themselves in the courses which they allowed to run unchecked until these culminated in the scenes witnessed in the stock market a fortnight since. This day two weeks ago Wall Street was on the verge of panic; if not wholly without cause yet with the smallest amount of justification ever seen in our history. The truth seems to be that both owners of securities and people who were carrying these on great or small margins had mulled and talked over the anti-trust question so much that they were in a condition of semi-hysteria and were, as James J. Hill said the other day, "ghost dancing" on the subject of politics. There has seemingly been an entire forgetting in the endless mass of discussion on this subject of the fact that to however great an extent the corporate ownership of property may be dissolved under our law individual ownership cannot be dissipated at all, and that it is possible in the case of a dissolution of a corporation to have individual owners of the property of this corporation still acting in concert with each other just as they did before. For instance, John D. Rockefeller is commonly said to personally own more than one-quarter of the stock of the Standard Oil Company. Mr. Rockefeller will receive one-quarter of the stocks of the Standard Oil subsidiaries when these stocks are distributed. A cohesive force will thus be created not subject to attacks, which will allow the Standard Oil business to be carried on perhaps not quite as smoothly or at as small an expense as it was in the past, but still with a substantial degree of success, and at any rate with the same degree of success which attends the efforts of the former owners of Northern Securities stock in handling the railroad companies comprised in the old Northern Securities organization. No man can be forced to compete against another man if he does not wish to, and his refusal to do compete can never be adduced as a proof of conspiracy. The Standard Oil Company is already in process of dissolution. The great bugbear of disintegration and dissolution in this prominent instance has been forced to come into the open and to subject itself to the analysis of critics and the attrition of buying and selling in the security market. But Standard Oil stock is still selling at practically unchanged figures.

The chances are of course a hundred to one that the reorganization of the American Tobacco Company, now soon to be undertaken, will follow along the same path described, with this exception, that the view of the fact that the American Tobacco Company has millions of bonds outstanding, which with the rightful legal interests of a great number of stockholders in many differing subsidiary organizations must be considered, the disintegration here will be into a smaller number of companies than was the case in that of the Standard Oil Company. None of the companies thus formed will be in any sense a monopoly and they will compete with each other, as Mr. Taft suggested in one of his recent speeches, just as far as their own good business judgment suggests. Great interest naturally converges upon the question whether a suit for dissolution under the Sherman law will be brought against the United States Steel Corporation, and the chief factor in causing the absurdly unwarranted decline in the price of United States Steel common stock in the last few months has been apprehension that such action on the part of the Government might be taken. But every person who reflects must know that the case of the Government against the Steel Corporation, if such an action is at all meditated, is not to be compared for an instant to the cases against the American Tobacco and Standard Oil companies. Without entering upon details too long to be considered here, it suffices to say that the only color of pretext which may be urged against the Steel Corporation by the Government for a suit for supposed infraction of the anti-trust law is that it is alleged that the Steel Corporation owns 75 per cent. of the ore lands of the country. Now, in the first place it may be taken as a fact by those interested in knowing that the Steel Corporation has no such percentage of ore lands in its possession or contracted for and that the arrangements that it has made for its present and future supply of ore are no more than those necessary to carry on the Steel Corporation's own individual manufacturing business. So far as diligent inquiry and observation goes there is almost a consensus among lawyers that the United States Steel Corporation can successfully defend a suit against it by the Government, and this affords something more than legitimate ground for believing that no such suit will in fact be brought.

F. J. Lismann & Co.

Members N. Y. Stock Exchange

30 Broad St., New York

Philadelphia Chicago Baltimore Hartford

Autosles Gum & Chocolate Stock

American Chick Co., A. Pfd. Stock

American Express Stock

American Grinding Machine Co. Stock

Aeolian Weber L. P. Co. & Pfd. Stock

Computing Tabulating Recording Stock

Cutter Manufacturing Stock

Singer Manufacturing Stock

Syracuse Rapid Transit Co. Stock

United Bag Stores Stock

Virginia Coal & Coke Cfts.

Bought and Sold.

J. K. Rice, Jr. & Co.

Phones 740 to 749 Hanover, 33 Wall St., N. Y.

FOR SALE

100 American Meter

100 American Type Founders Co.

100 American Trust Co. & Pfd.

100 Atlantic Co. Stock

100 Shredded Wheat Co.

80 Years & Towns Mfg.

FREDERIC H. HATCH & CO.

New York Boston Chicago

20 Congress St. Private telephones between New York and Boston

E. & C. RANDOLPH

Members New York Stock Exchange

111 Broadway, New York

OPEN MARKET SECURITIES DEPARTMENT

Harcour Hatch, Mgr. T. F. Simons, Inc.

Dealers in Investment and Other Securities of the United States, Canada and Mexico

Alfred Mestre & Co.

Members New York Stock Exchange

37 Wall Street New York

Wm. A. Read & Co.

Bankers

25 Nassau Street, N. Y.

BOSTON LONDON CHICAGO

Portland, Oreg.

ENGINEERS

H. M. BYLLESBY & CO.

EXAMINATIONS AND REPORTS

206 South La Salle Street

CHICAGO

Oklahoma City, Okla.

Mobile, Ala.

Portland, Ore.

San Francisco, Calif.

Seattle, Wash.

Tampa, Fla.

Toronto, Ont.

Tulsa, Okla.

Winnipeg, Man.

W